



# **Recommended FY15 Budget**

## **February 3, 2014**



# FY15 Budget Challenges

- Less revenue
- Built-in expense growth
- Importance of efficiencies
- Educational funding vital
- Needs in health and social services
- Required Rainy Day Fund contribution



# Overview: Available Revenues

	Recurring	Non-Rec
Base Increase/(Decrease)	(\$116.2)	\$0
Revenue Growth @ 3.25%	\$323.0	\$0
Inheritance Tax Exemption	(\$20.4)	\$20.4
Other State Revenue	\$32.1	\$532.1
Overappropriation Increase	\$17.0	\$0
Revenue from FY14	\$0.2	\$256.2
Debt Service Fund Revenue	\$25.0	\$0
<b>Total Available Revenues</b>	<b>\$260.7</b>	<b>\$808.7</b>

(Millions)



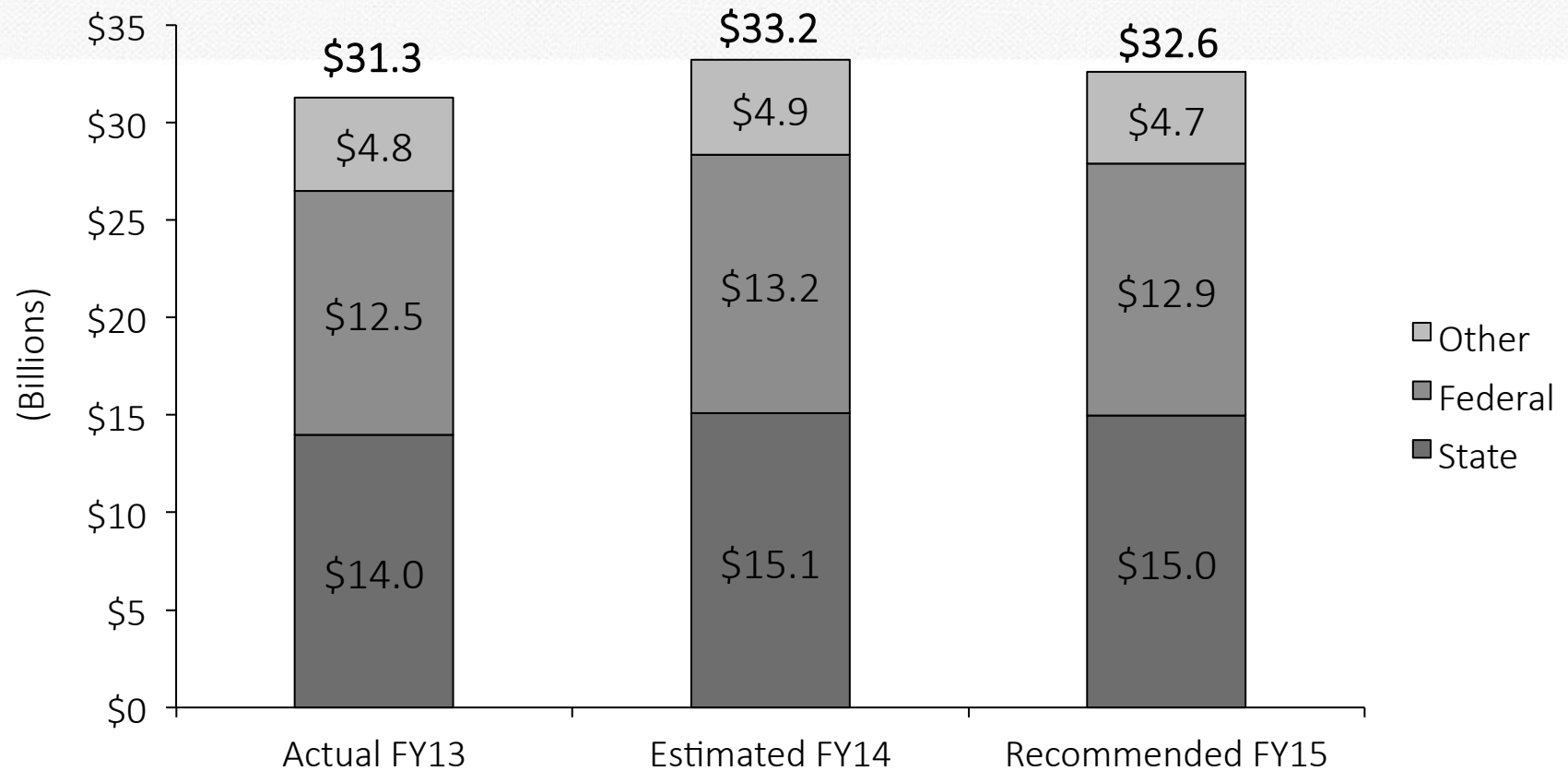
# Overview: Revenues and Expenditures

	Recurring	Non-Rec
Available Revenues	\$260.7	\$808.7
Less Cost Increases	(\$393.5)	(\$827.4)
Preliminary Balance	(\$132.8)	(\$18.7)
Revenue Restored Through Base Expense & Vacancy Reductions	\$132.9	\$19.1
Final Balance	\$0.1	\$0.4

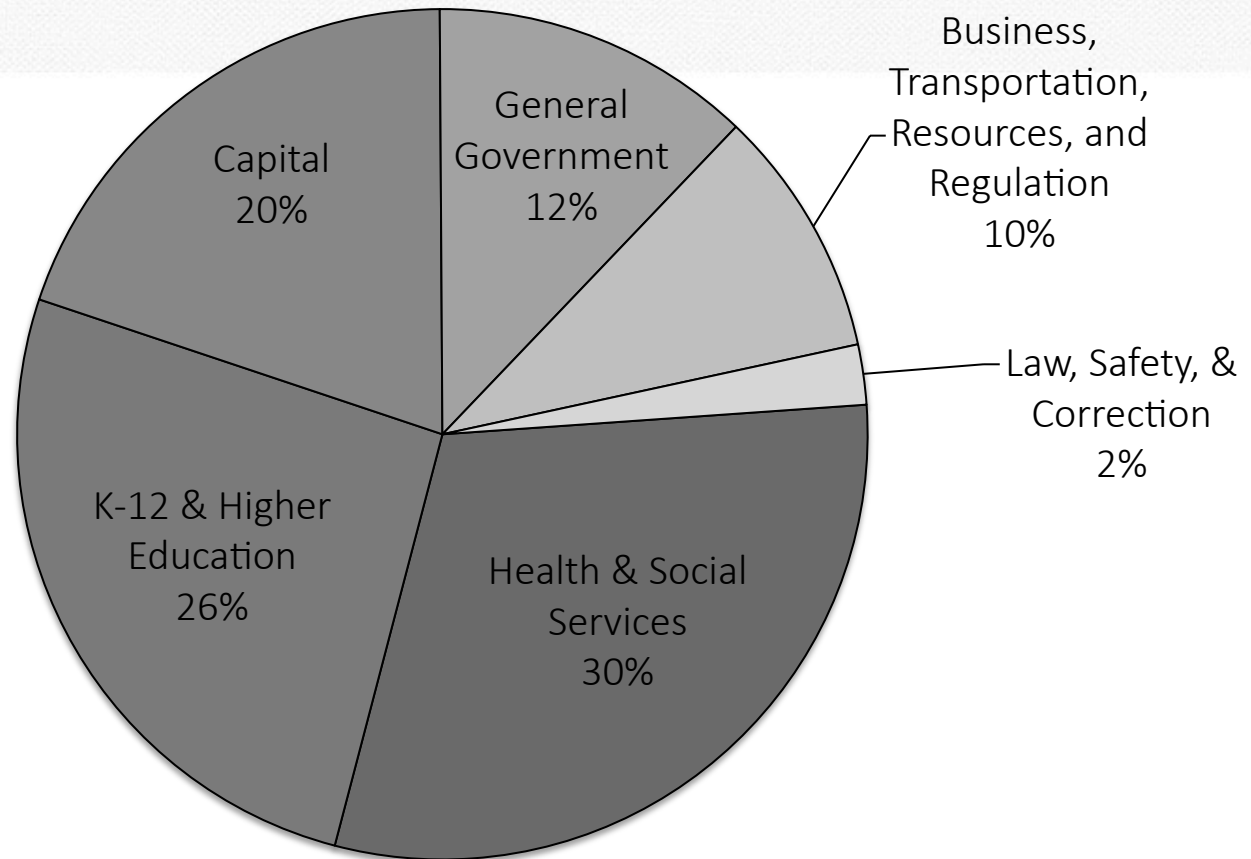
(Millions)



# State Budget By Fiscal Year

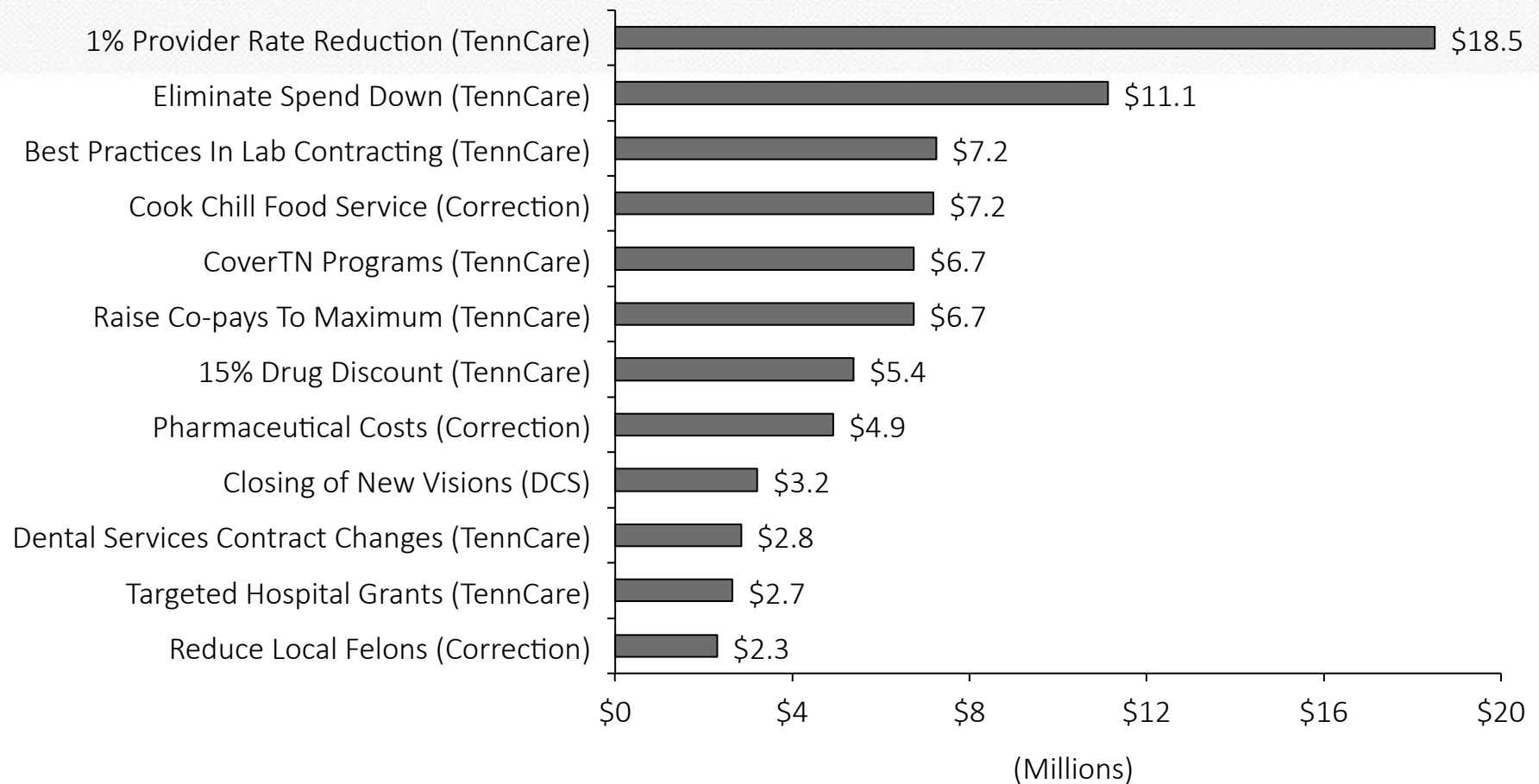


# State Funding of Cost Increases

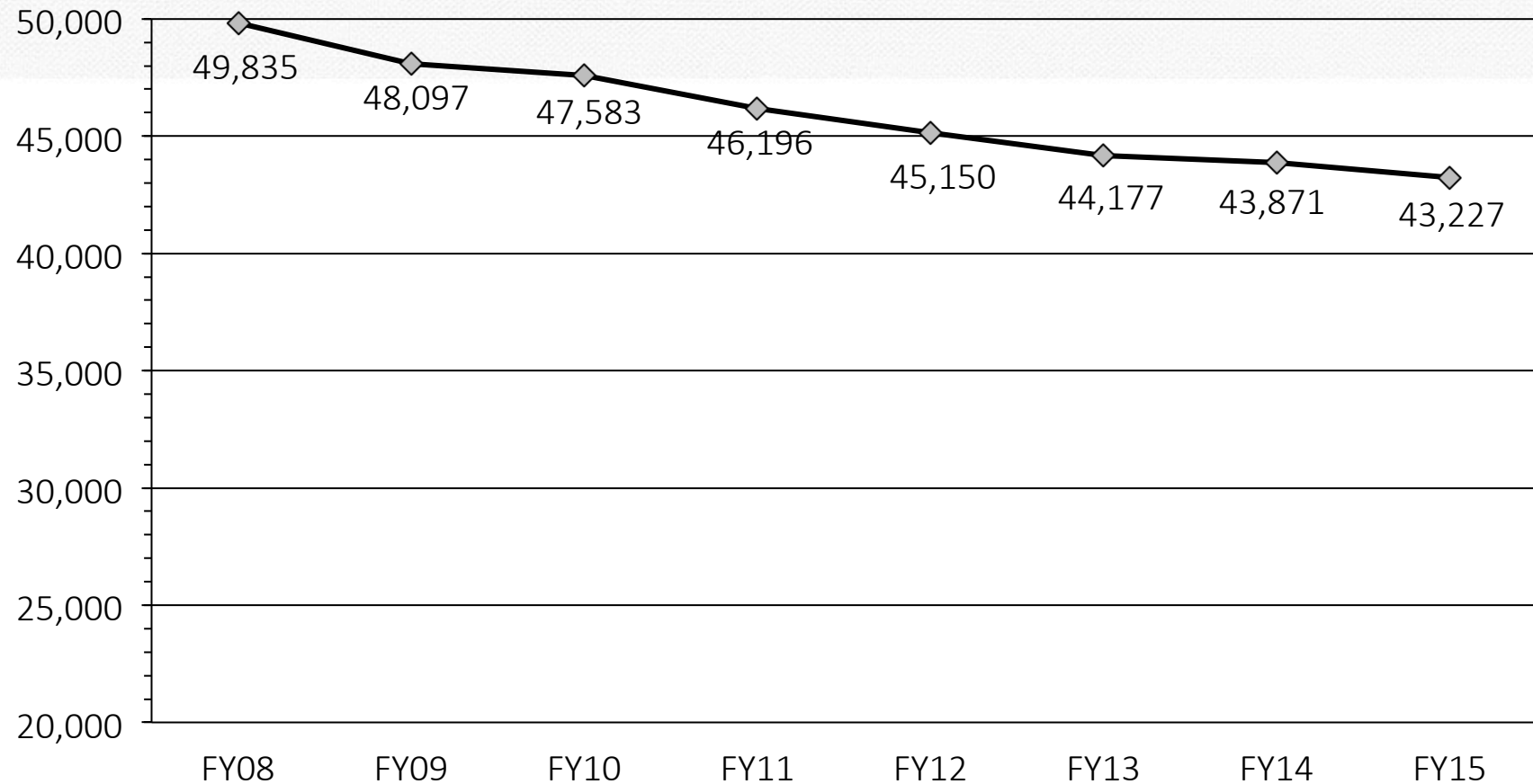




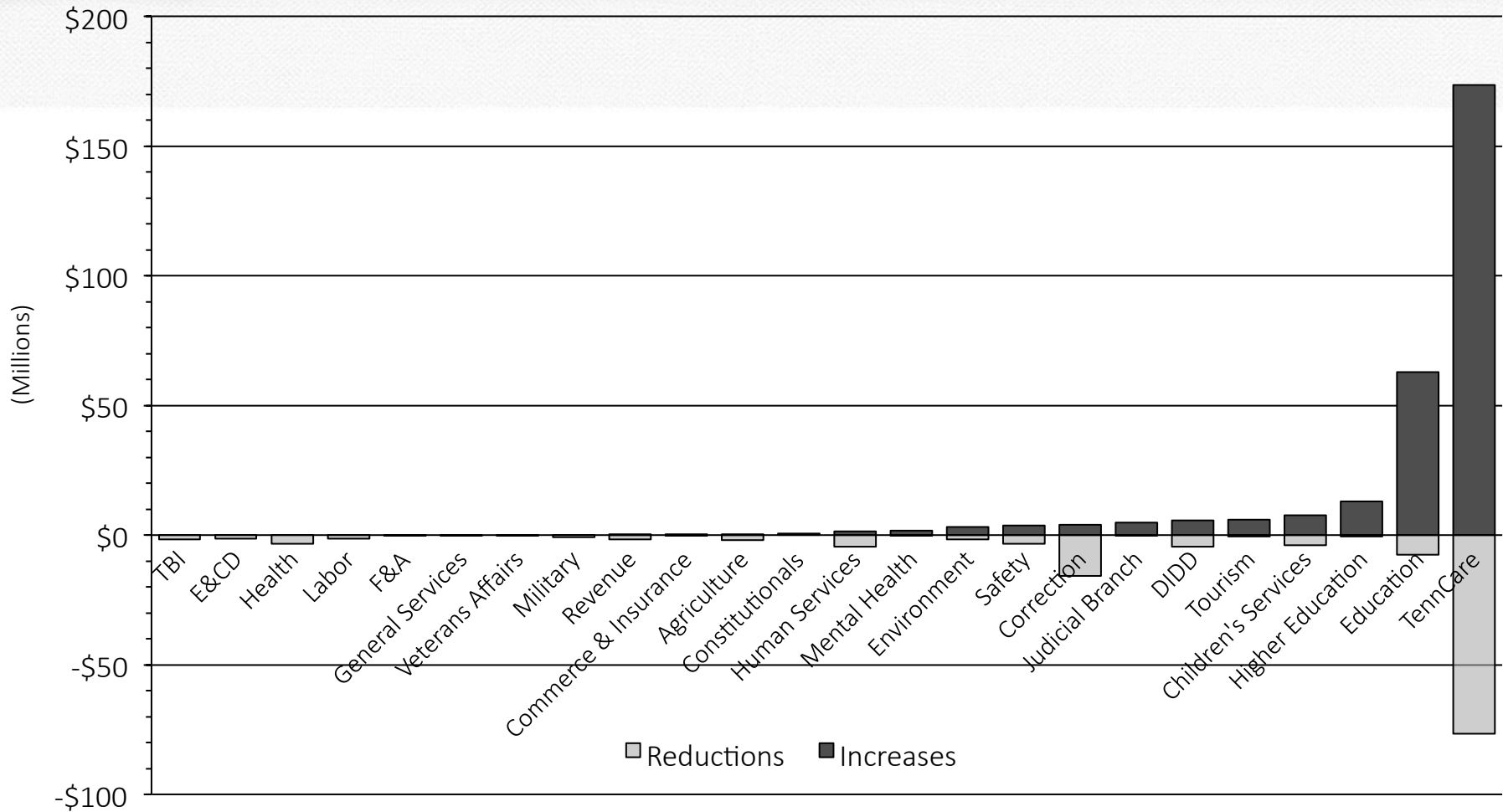
# Selected Reductions



# General Fund Positions



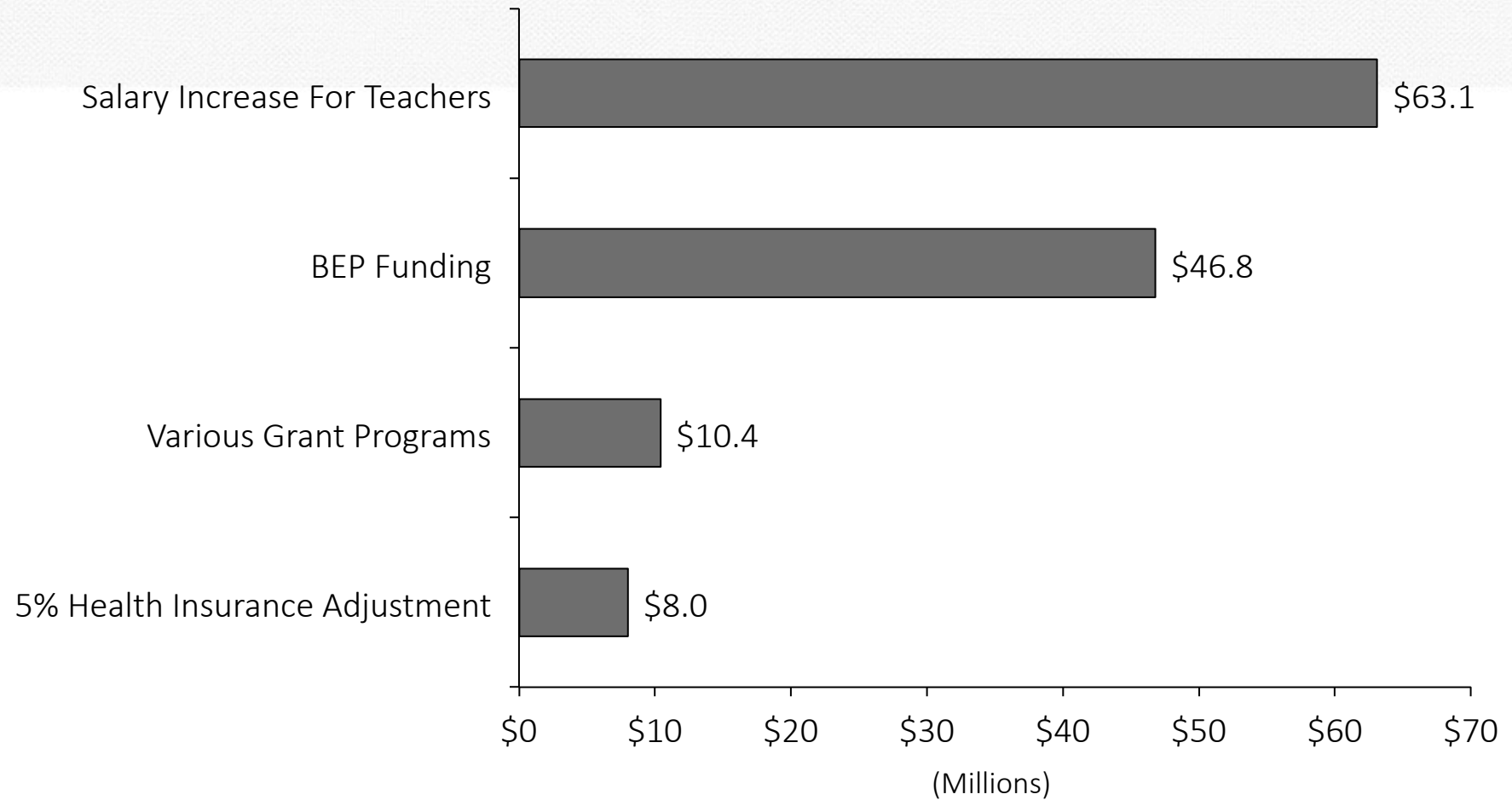
# Reductions and Increases



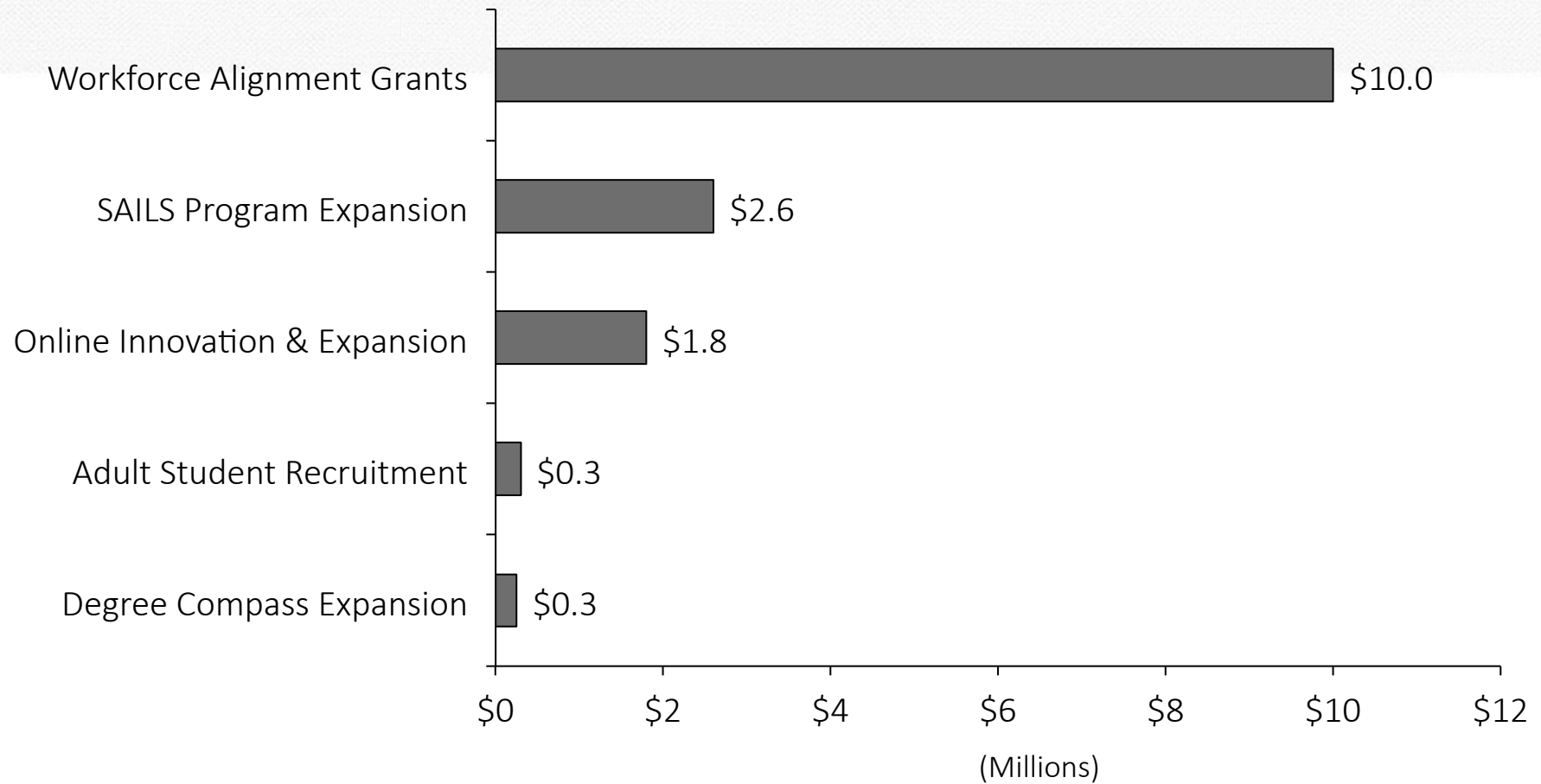




# K-12 Education

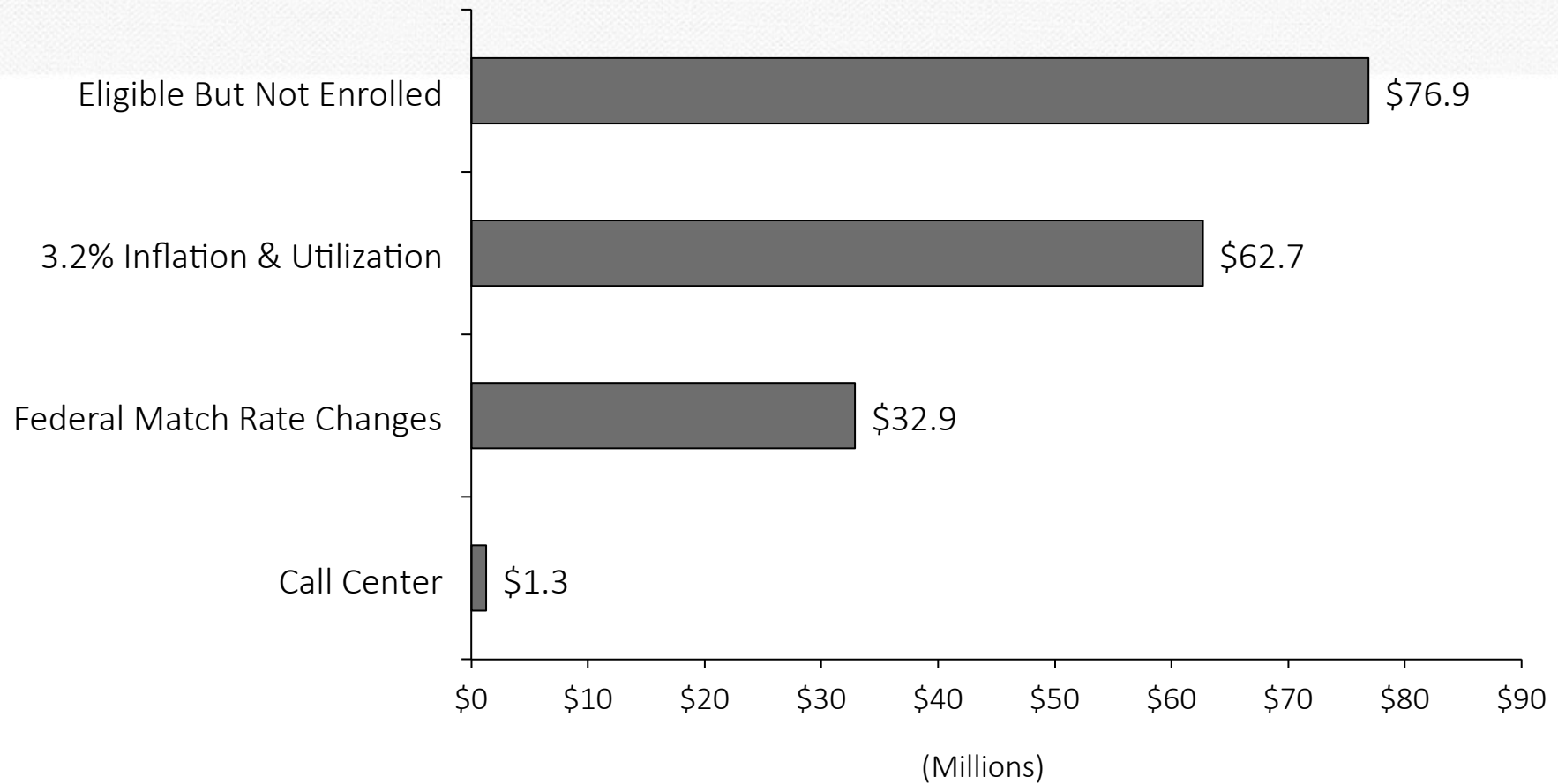


# Drive To 55



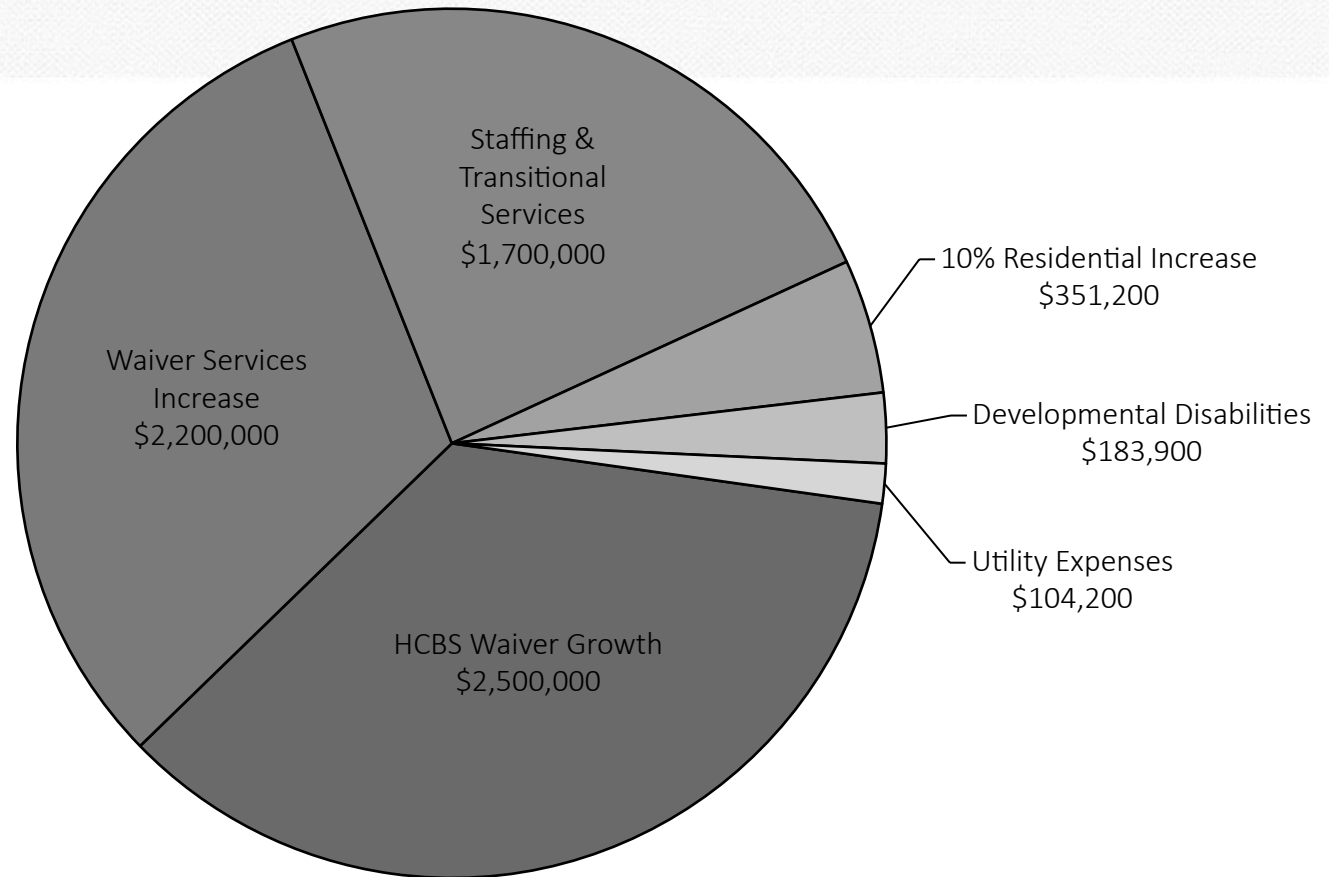


# TennCare



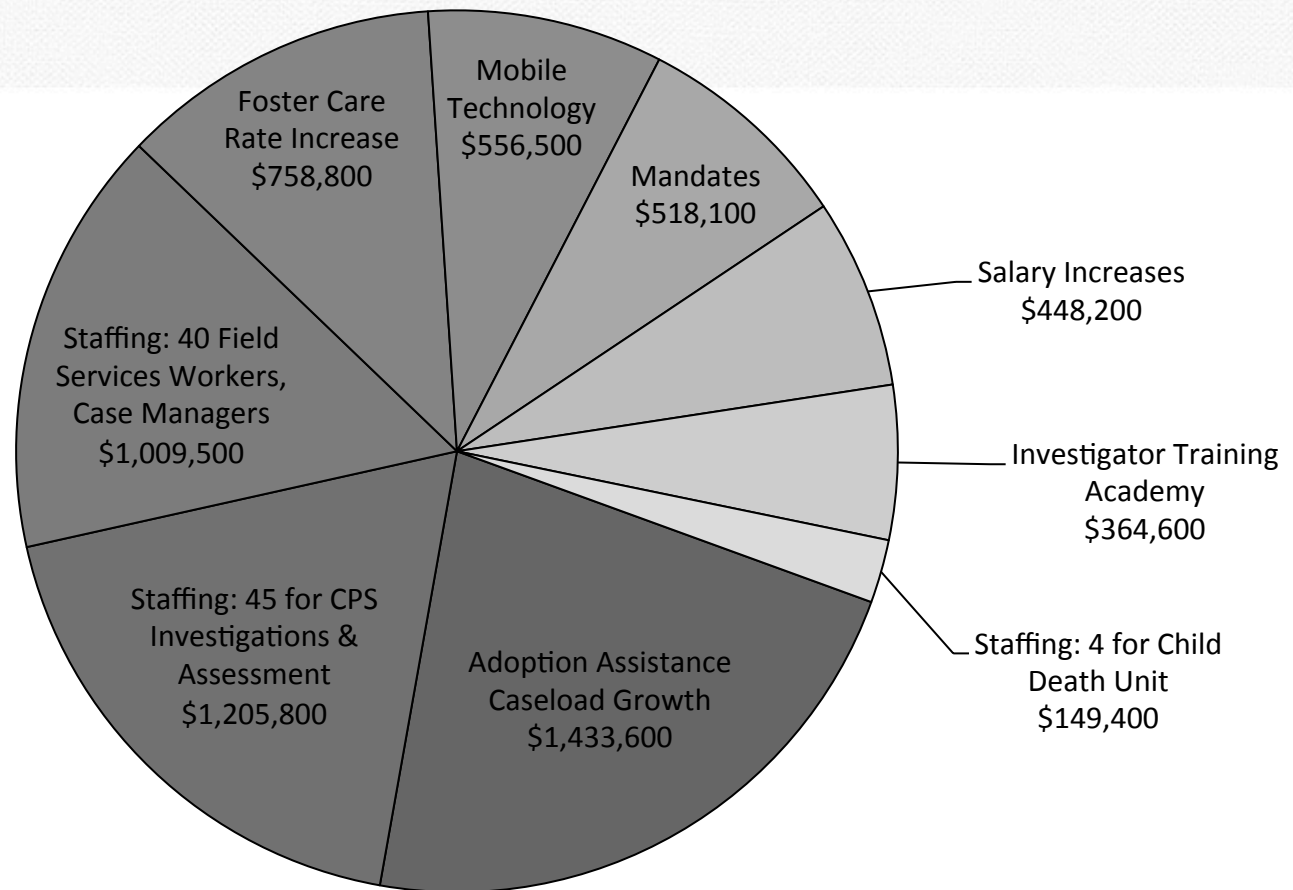
# Intellectual & Developmental Disabilities

State Funding Increase:  
\$7,039,300



# Children's Services

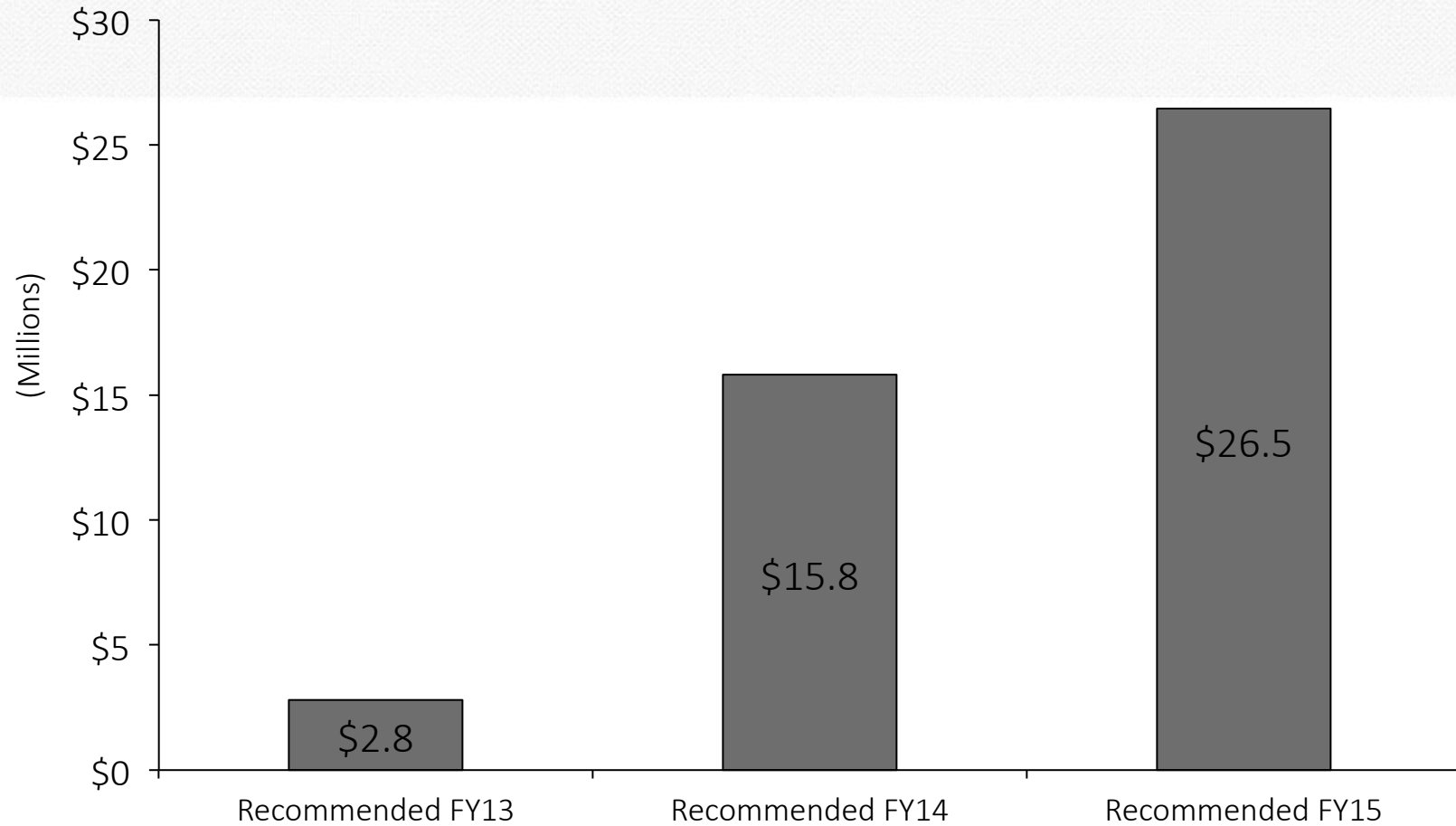
State Funding Increase:  
\$6,444,500





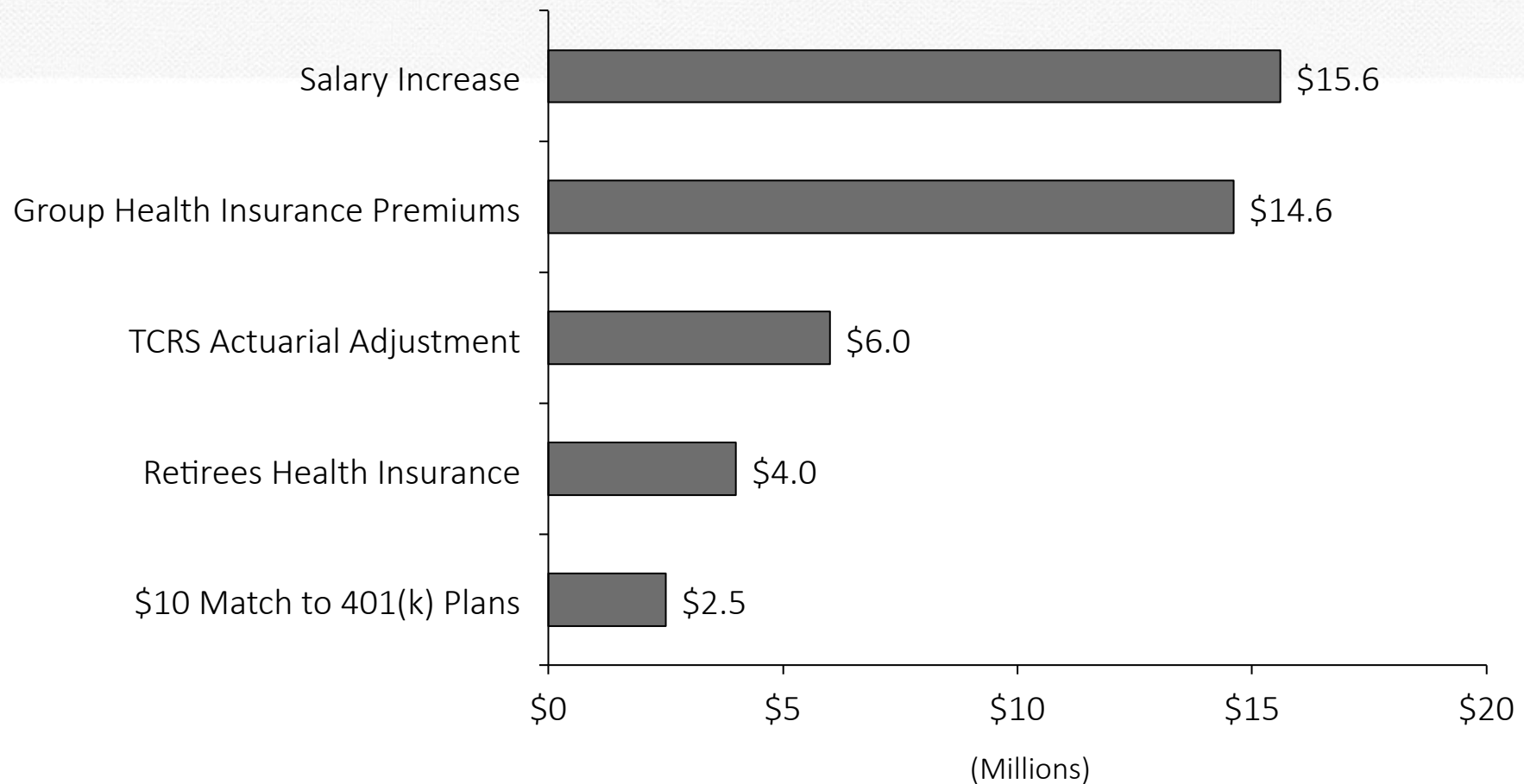


# New Information Technology Funding



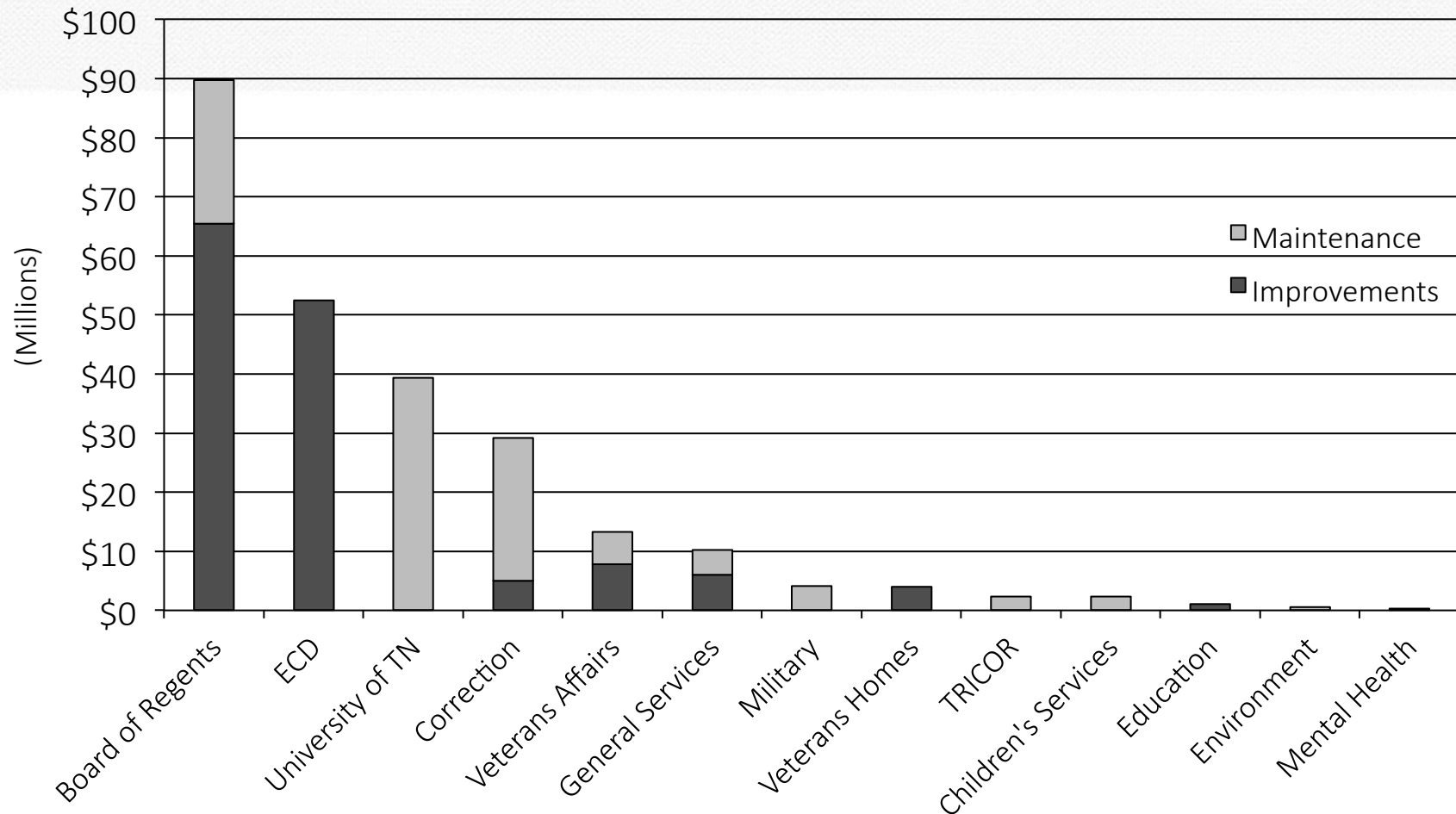


# State Workforce Investments

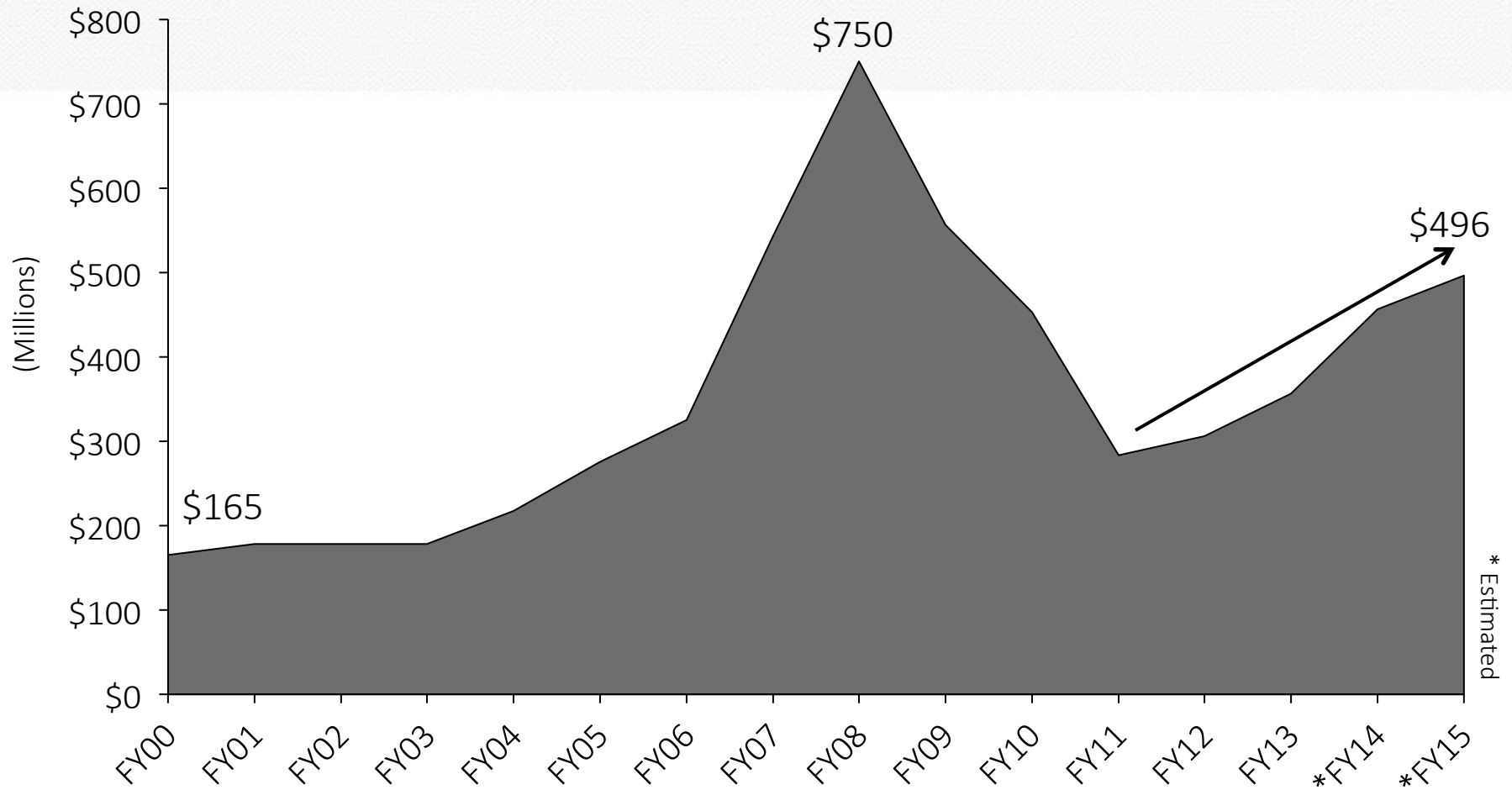


# Capital Appropriations

## Improvements and Maintenance



# Rainy Day Fund Balances





# Highlights

1. Realistic revenue assumptions
2. Achievable and responsible base reductions plans
3. Funds key education initiatives
4. Improves services for vulnerable populations
5. Increases the Rainy Day Fund to almost \$500 million